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Sales Tax.

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Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820

TDD: (800) 833-8683

March 17, 1987

TO: ALL REGISTRARS OF VOTERS AND COUNTY CLERKS
AND PROPONENT (8717)

FROM:


DEBORAH SEILER

Assistant to the Secretary of State
Elections and Political Reform

Pursuant to Elections Code § 3520, subd. (b) you are hereby notified that the total number of signatures to the hereinafter named proposed INITIATIVE STATUTE filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: SALES TAX.
INITIATIVE STATUTE.

SUMMARY DATE: October 9, 1986

PROPONENT: Francis X. Hoffman

DS/lgw

F.INIT



Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

#387

Elections Division
(916) 445-0820
TDD: (800) 833-8683

October 9, 1986

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENT (86179)

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

SALES TAX.
INITIATIVE STATUTE.

Circulating and Filing Schedule

1. Minimum number of signatures required..... 393,835
Cal. Const., Art. II, Sec. 8(b).
2. Official Summary Date..... Thursday, 10/9/86
Elec. C., Sec. 3513.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for signatures Thursday, 10/9/86
Elec. C., Sec. 3513.
 - b. Last day Proponent can circulate and file with the county.
All Sections are to be filed at the same time within each
county..... Monday, 3/9/87*
Elec. C., Secs. 3513, 3520(a).
 - c. Last day for county to determine total number of
signatures affixed to petition and to transmit total
to the Secretary of State..... Monday, 3/16/87

(If the Proponent files the petition with the county on a date prior to 3/9/87, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 3520(b).

*Date adjusted for official deadline which falls on Sunday. Elec. C., Sec. 60.

- d. Secretary of State determines whether the total number of signatures filed with all county clerks meets the minimum number of required signatures, and notifies the counties.....Monday, 3/23/87**

- e. Last day for county to determine total number of qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State.....Tuesday, 4/7/87

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 3/16/87, the last day is not later than the fifteenth day after the county's receipt of notification.)
Elec. C., Sec. 3520(d), (e).

- f. If the signature count is more than 433,218 or less than 354,452, then the Secretary of State certifies the petition has qualified or failed, and notifies the counties. If the signature count is between 354,452 and 433,218 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures..... Wednesday, 4/15/87**

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State.....Friday, 5/15/87

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 4/7/87, the last day is not later than the thirtieth day after county's receipt of notification.)
Elec. C., Sec. 3521(b), (c).

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient.....Monday, 5/18/87

**Date varies based on receipt of county certification.

4. Campaign Statements:

Last day to file a campaign statement of receipts
and expenditures for period ending 4/6/87 Monday, 4/13/87

(If the Secretary of State finds that the measure has
either qualified or failed to qualify on a date earlier
than 3/9/87, the last date to file is the 35th calendar
day after the deadline for filing petitions or the date
of notification by the Secretary of State that the
measure has either qualified or failed to qualify, whichever
is earlier. The closing date for the campaign statement
is seven days prior to the filing deadline.)
Gov. C., Secs. 84200(d), 84202(j).

5. The Proponent of the above named measure is:

Francis X. Hoffman
Attorney at Law
727 South Harbor Blvd.
Anaheim, California 92805
(714) 774-7333

Sincerely,



DEBORAH SEILER
Assistant to the Secretary of State
Elections and Political Reform

NOTE TO PROPONENT: Your attention is directed to Elections Code
Sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate
format and type considerations in printing, typing, and otherwise preparing
your initiative petition for circulation and signatures. Your attention
is further directed to the campaign disclosure requirements of the
Political Reform Act of 1974, Government Code Section 81000 et seq.

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511
P.O. BOX 944255
SACRAMENTO 94244-2550
(916) 445-9555

(916) 323-1995

October 9, 1986

0387

FILED

In the office of the Secretary of State
of the State of California

OCT - 9 1986

MARCH FONG EU, Secretary of State

By *Barbara J. Lee*
Deputy

Honorable March Fong Eu
Secretary of State
1230 J Street
Sacramento, CA 95814

Dear Mrs. Eu:

Initiative Title and Summary.
Our File No.: SA 86 RF 0009

Pursuant to the provisions of section 3503 and 3513 of the Elections code, you are hereby notified that on this day we mailed to the proponent of the above identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponent, a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the name and address of the proponent is as stated on the declaration of mailing.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

Floyd D. Shimomura

FLOYD D. SHIMOMURA
Deputy Attorney General

FDS:rrc

Enclosure

0387

Date: October 9, 1986
File No: SA 86 RF 0009

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

SALES TAX. INITIATIVE STATUTE. Under current statutes the state retail sales tax rate (excluding local sales taxes) is 4 3/4 percent. This measure fixes that rate as the maximum and provides that it shall be reduced by 1/4 percent for each \$520 million in the State General Fund in excess of the amount needed to cover current lawful state expenses as determined by the Director of Finance each month. Funding of up to \$100 million in a contingency reserve is considered lawful expenses. Rate reduction applicable until General Fund receipts insufficient to satisfy state expenditures. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: No estimate of the measure's fiscal impact can be made. The measure's wording is not sufficiently clear on how excess monies are to be calculated. While certain interpretations could result in a reduction in revenues, other interpretations could result in no fiscal impact at all. If rate reductions are triggered, potentially unknown costs would be incurred in implementing such changes.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333



INITIATIVE TO BE SUBMITTED DIRECTLY TO THE VOTERS

STATUTE

Sections 6051.4 and Section 6051.6 (a) are hereby added to Chapter 2 (THE SALES TAX) of Part 1 (SALES AND USE TAXES) of Division 2 (OTHER TAXES) the Revenue and Taxation Code.

§ 6051.4 Reduction of retail sales tax percentage on tangible personal property; imposition on retailers; operative effect of subdivisions of this section.

(a) Notwithstanding Section 6051, the tax rate imposed by Section 6051, which is $4 \frac{3}{4}$ percent, shall be reduced by $\frac{1}{4}$ percent for each 520 million dollars of actual cumulative General Fund receipts, as determined by § 6051.6 (a) that, taking into account the current and projected cash flow, are in excess of the monies required to satisfy actual and lawful expenditures of the state, as determined by the Director of Finance. For the privilege of selling tangible personal property at retail the tax imposed by this subdivision is hereby imposed upon all retailers at the required percentage of the gross receipts of any retailer from the sale of all personal property sold at retail in this state.

(b) The required percentage rate prescribed by subdivision (a) shall become operative or applicable no later than 60 days after certification of any report of actual cumulative General Fund receipts, pursuant to § 6051.6 (a), which satisfies the requirements of subdivision (a) of this section.

(c) The required percentage rate prescribed by subdivision (a) shall not be applicable on the last day of the month in which certification is made pursuant to 6051.6 (a), that actual cumulative General Fund receipts, taking into account current and projected cash flow, are not sufficient to satisfy the actual and lawful expenditures of the state.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

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(d) The rate prescribed by Section 6051, which is 4 3/4 percent, shall be applicable on and after the first day following the date subdivision (a) becomes inapplicable pursuant to subdivision (c).

(e) The maximum sales tax rate shall be 4 3/4 percent. No tax rate higher than 4 3/4 percent shall be made operative or applicable pursuant to this section.

(f) It is not the intent of this section to reduce any state payment or state appropriation to any governmental entity as a consequence of the required percentage rate prescribed in subdivision (a) becoming operative or applicable.

(g) For purposes of this section the term "required percentage" or "required percentage rate" shall be the reduced rate of tax prescribed by the first sentence in subdivision (a).

(h) One hundred million dollars as an amount of Contingency Reserve for Economic Uncertainties and Special Reserve Account shall not be affected pursuant to this section becoming operative or applicable. Replenishing the account named in this subdivision shall be considered an actual and lawful expenditure of the state.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

Page 21

§ 6051.6

(a) For the purpose of making the determinations required by this section, in addition to the monthly cash receipts report, the Controller shall prepare a cash receipts report for actual cumulative (fiscal year to date) General Fund receipts as of the 10th day of each month. For the purpose of making the determinations required by this section the Director of Finance shall make monthly determinations. For the sole purpose of determining whether or not actual cumulative General Fund receipts are sufficient to make section 6051.4 (a) operative or applicable, the Director of Finance shall be limited to the consideration of the following: the comparison of actual cumulative General Fund receipts as of the 10th day of each month with the actual cumulative General Fund receipts as of the same date in the immediately previous fiscal year; the comparison of actual and lawful cumulative expenditures as of the 10th day of each month and actual and lawful cumulative expenditures as of the same date in the immediately previous fiscal year; legislation signed into law or activated during the fiscal year in which the determination is being made; current and projected cash flow. If the Director of Finance makes a determination that section 6051.4 shall become operative or applicable pursuant to this subdivision and pursuant to subdivision (a) of section 6051.4, he shall certify and forward his determination to the State Board of Equalization.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

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8/26/94

Office of the Attorney General
Floyd Shimomura
1515 "K" street
Sacramento, CA

Dear Floyd:

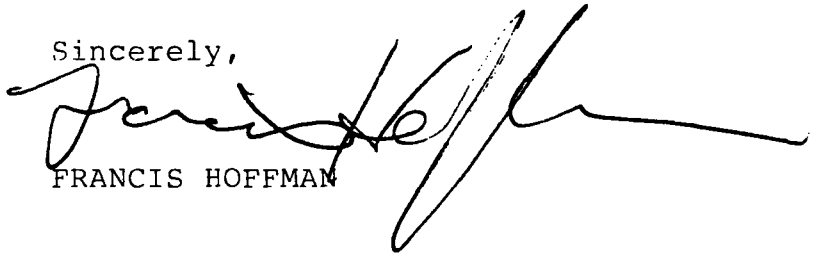
Enclosed you will find the final version of my sales tax reduction initiative. I have endeavored to cure some of the ambiguities and defects. I am now more humble as a result of my newfound awareness of the difficulty of writing laws.

are

The purposes of the initiative proposal to cap the sales tax rate at 4 3/4 percent, to provide for the reduction of the sales tax during times of surplus but to maintain all levels of lawful spending.

Thank you for your hard work and understanding.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Francis Hoffman', written over the typed name.

FRANCIS HOFFMAN

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511
P.O. BOX 944255
SACRAMENTO 94244-2550
(916) 445-9555

(916) 323-1995

October 9, 1986

Francis X. Hoffman
Attorney at Law
727 South Harbor Blvd.
Anaheim, CA 92805

Initiative Title and Summary.
Subject: SALES TAX. INITIATIVE STATUTE
Our File No.: SA 86 RF 0009

Pursuant to your request, we have prepared the attached title and summary of the chief purposes and points of the above identified proposed initiative. A copy of our letter to the Secretary of State, as required by Elections Code sections 3503 and 3513, our declaration of mailing, and the text of your proposal that was considered is attached.

The Secretary of State will be sending you shortly a copy of the circulating and filing schedule for your proposal that will be issued by that office.

Please send us a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file in this matter.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

Floyd D. Shimomura

FLOYD D. SHIMOMURA
Deputy Attorney General

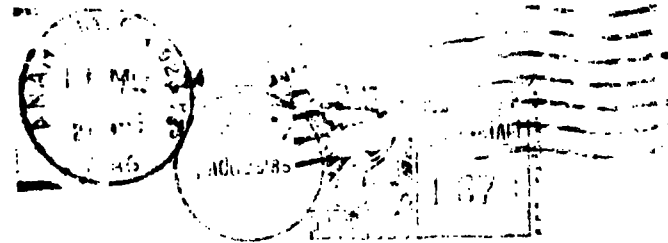
FDS:rrc

Attachment



FRANCIS X. HOFFMAN
ATTORNEY AT LAW
727 SOUTH HARBOR BLVD.
ANAHEIM, CA 92805

P 459 559 335



RETURN RECEIPT
REQUESTED

John Van De Kamp
ATTORNEY GENERAL
1515 "K" STREET, STE 511
PO BOX 944255
SACRAMENTO, CA 94244-2550

ATT FLOYD SIMMONS

DECLARATION OF MAILING

The undersigned Declarant, states as follows:

I am over the age of 18 years and not a proponent of the within matter; my place of employment and business address is 1515 K Street, Suite 511, Sacramento, California 95814.

On the date shown below, I mailed a copy of copies of the attached letter to the proponents, by placing a true copy thereof in an envelope addressed to the proponents named below at the addresses indicated, and by sealing and depositing said envelope or envelopes in the United States mail at Sacramento, California, with postage prepaid. There is delivery service by United States mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed.

Date of Mailing: October 9, 1986

Subject: SALES TAX. INITIATIVE STATUTE.

Our File No.: SA 86 RF 0009

Name of Proponent and Address:

Francis X. Hoffman
Attorney at Law
727 South Harbor Blvd.
Anaheim, CA 92805

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California on October 9, 1986.


ROSEMARY R. CALDERON
Declarant

FRANCIS X. HOFFMAN
Attorney at Law
727 South Harbor Blvd.
Anaheim, CA 92805

July 31, 1986

Hand Delivered

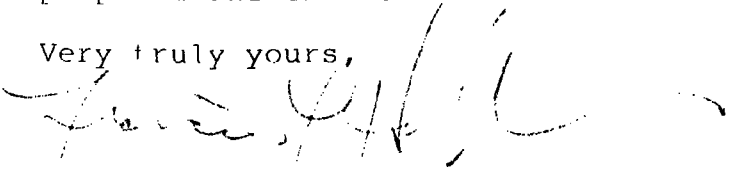
Paul H. Dobson
Supervising Deputy Attorney General
Department of Justice
1515 K Street, P. O. Box 944255
Sacramento, CA 94244-2550

Dear Mr. Dobson:

Attached is an amendment to the proposed initiative measure which I submitted to your office on July 20, 1986.

This will confirm that I am the only proponent of this proposed initiative.

Very truly yours,



FRANCIS X. HOFFMAN
Proponent

FXH:js

Attachment

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHLIM, CA 92805

(714) 774-7333

Page 21

INITIATIVE TO BE SUBMITTED DIRECTLY TO THE VOTERS

STATUTE

Section 6051.4 is hereby added to Chapter 2 (THE SALES TAX) of Part 1 (SALES AND USE TAXES) of Division 2 (OTHER TAXES) of the Revenue and Taxation Code.

Section 6051.6 ^(a)as amended, is hereby added to Chapter 2 (THE SALES TAX) of Part 1 (SALES AND USE TAXES) of Division 2 (OTHER TAXES) of the Revenue and Taxation Code.

§ 6051.4 Reduction of retail sales tax percentage on tangible personal property; imposition on retailers; operative effect of subdivisions of this section

(a) Notwithstanding Section 6051, the tax rate imposed by Section 6051, which is $4 \frac{3}{4}$ percent, shall be reduced by $\frac{1}{4}$ percent for each 520 million dollars of actual cumulative General Fund receipts, as determined by § 6051.6 ⁽²⁾that, taking into account the current and projected cash flow, are in excess of the monies required to satisfy actual and lawful expenditures of the state, as determined by the Director of Finance. For the privilege of selling tangible personal property at retail the tax imposed by this subdivision is hereby imposed upon all retailers at the required percentage of the gross receipts of any retailer from the sale of all personal property sold at retail in this state.

(b) The required percentage rate prescribed by subdivision (a) shall become ^{applicable or}operative no later than 60 days after certification of any report of actual cumulative General Fund receipts, pursuant to Section 6051.6 ^(a), which satisfies the requirements of subdivision (a).

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

21

(c) The required percentage rate prescribed by subdivision (a) shall not be applicable on the last day of the month in which certification is made pursuant to Section 6051.6 ⁽²⁾ that actual cumulative General Fund receipts, taking into account current and projected cash flow, are not sufficient to satisfy the actual and lawful expenditures of the state.

(d) The rate prescribed by Section 6051 shall be applicable on and after the first day following the date subdivision (a) becomes inapplicable pursuant to subdivision (c).

(e) No tax rate higher than 4 3/4 percent shall be made operative or applicable pursuant to this section.

(f) It is not the intent of this Section to reduce any state payment or state appropriation to any governmental entity as a consequence of the required percentage rate prescribed in subdivision (a) becoming operative or applicable.

§ 6051.4 (g) For purposes of this Section the term "required percentage" or "required percentage rate" shall mean the reduced rate of tax prescribed by the first sentence in subdivision (a).

(h) One hundred million dollars (\$100,000,000) as an amount of Contingency Reserve for Economic Uncertainties and Special Reserve Account shall not be affected pursuant to this Section becoming operative or applicable. Replenishing the account named in this subdivision shall be considered an actual and lawful expenditure of the state.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

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Section 6051.6 (a) of Part 1 of Division 2 of the Revenue and Taxation Code is amended to read:

For the ~~sole~~ purpose of making the ~~determination~~ determinations required by this section, in addition to the monthly cash receipts report, the Controller shall prepare a cash receipts report for actual cumulative (fiscal year to date) General Fund receipts as of the 10th day of each month. For the sole purpose of determining whether or not actual cumulative General Fund receipts are sufficient to make section 6051.4 (a) operative or applicable, the Director of Finance shall be limited to the consideration of the following: the comparison of actual cumulative General Fund receipts as of the 10th day of each month with the actual cumulative General Fund receipts of the same date in the immediately previous fiscal year; the comparison of actual and lawful cumulative expenditures as of the 10th day of each month and actual and lawful cumulative expenditures as of the same date in the immediately previous fiscal year; legislation signed into law or activated during the fiscal year in which the determination is being made; current and projected cash flow. If the Director of Finance makes a determination that section 6051.4 shall become operative or applicable pursuant to this subdivision and pursuant to subdivision (a) of section 6051.4, he shall certify and forward his determination to the State Board of Equalization.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

100-100-21

July 20, 1986

The Attorney General
1515 "K" Street suite 511
Sacramento, CA 95814

Mr. Van de Kamp:

Enclosed you will find a draft of an initiative petition. I request that a title and summary be prepared of the chief purposes and points of the proposed measure.

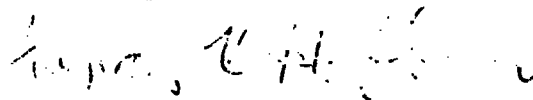
I am one of the proponents of this measure and The Committee to Elect Francis Hoffman is the other proponent.

The Section number (6501.4) is meant to be advisory only. The text is meant to be part of the Revenue and Taxation Code.

If the portion of this proposal that seeks to repeal parts of Section 6051.6 renders this initiative unacceptable under the law, that repealing portion shall be discarded and only Section 6501.4 shall be proposed.

Enclosed you will also find a check for two hundred dollars as required by law.

Sincerely,



FRANCIS X. HOFFMAN

Proponent

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

Page one

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

§ 6051.4 (a) Notwithstanding Section 6051, the tax rate imposed by Section 6051, which is $4 \frac{3}{4}$ percent, shall be reduced by $\frac{1}{4}$ percent for each 520 million dollars of actual cumulative General Fund receipts, as determined by § 6051.6 that, taking into account the current and projected cash flow, are in excess of the monies required to satisfy actual and lawful expenditures of the state, as determined by the Director of Finance. For the privilege of selling tangible personal property at retail the tax imposed by this subdivision is hereby imposed upon all retailers at the required percentage of the gross receipts of any retailer from the sale of all personal property sold at retail in this state.

§ 6051.4 (b) The required percentage rate prescribed by subdivision (a) shall become ^{applicable or} operative no later than 60 days after certification of any report of actual cumulative General Fund receipts, pursuant to Section 6051.6, which satisfies the requirements of subdivision (a).

§ 6051.4 (c) The required percentage rate prescribed by subdivision (a) shall not be applicable on the the last day of the month in which certification is made pursuant to Section 6051.6, that actual cumulative General Fund receipts, taking into account current and projected cash flow, are not sufficient to satisfy the actual and lawful expenditures of the state.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333



page two

§ 6051.4 (d) The rate prescribed by Section 6051 shall be applicable on and after the first day following the date subdivision (a) becomes inapplicable pursuant to subdivision (c).

§ 6051.4 (e) No tax rate higher than 4 3/4 percent shall be made operative or applicable pursuant to this section.

§ 6051.4 (f) It is not the intent of this Section to reduce any state payment or state appropriation to any governmental entity as a consequence of the required percentage rate prescribed in subdivision (a) becoming operative or applicable.

§ 6051.4 (g) For purposes of this Section the term "required percentage" or "required percentage rate" shall mean the reduced rate of tax prescribed by the first sentence in subdivision (a).

§ 6051.4 (h) One hundred million dollars (\$100,000,000) as an amount of Contingency Reserve for Economic Uncertainties and Special Reserve Account shall not be affected pursuant to this Section becoming operative or applicable. Replenishing the account named in this subdivision shall be considered an actual and lawful expenditure of the state.

FRANCIS X. HOFFMAN

ATTORNEY AT LAW

727 SOUTH HARBOR BLVD.

ANAHEIM, CA 92805

(714) 774-7333

21

page three

§ 6051.6 (b) " If the Legislature modifies ... provided for in this paragraph. " Repealed.

§ 6051.6 (b) " , or pursuant to the May revision of 1983-84 fiscal year revenue estimates by the Department of Finance , to the extent the May revision reflects an increase in projected 1983-84 revenues based upon improved economic conditions " Repealed.

Barbara Lee #387

NEWS RELEASE

from: Secretary of State March Fong Eu
1230 J Street, Sacramento, CA 95814
(916) 445-6375

For Immediate Release
October 10, 1986

Contact: Caren Daniels-Meade or
Melissa Warren

SALES TAX INITIATIVE BEGINS CIRCULATION REPORTS EU

SACRAMENTO — On the 75th birthday of the initiative process in California, Secretary of State March Fong Eu announced today (Oct. 10) that she has certified the 605th initiative since 1911 to begin circulation.

Francis X. Hoffman of Anaheim, telephone (714) 774-7333, is the proponent of the initiative statute titled "Sales Tax." He must gather 393,835 signatures of registered voters and submit them to county elections officials by March 9, 1987 in order to qualify the proposal for the ballot.

If adopted by the voters, the measure would alter the statutes regulating the state sales tax. Existing statutes provide for a retail sales tax of 4 3/4 percent. This measure would establish that rate as the maximum and provide that it be reduced by 1/4 percent for each \$520 million in the State General Fund in excess of the amount needed for lawful state expenses as determined each month by the Director of the Department of Finance. The rate reduction would apply until General Fund receipts were insufficient to cover state expenses. The Contingency Reserve for Economic Uncertainties and Special Reserve Account would not be affected by implementation of this measure.

A copy of the initiative, its circulation calendar and title and summary is attached.

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